



# Starting a Business In Frankfort, Kentucky

A handbook for Starting and Licensing  
Your Business in Frankfort

2013



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**The Chamber**  
Frankfort Area Chamber of Commerce



Dear Entrepreneur:

The Frankfort Area Chamber of Commerce, in an effort to help the growth of small business, has compiled the following information to help individuals start or expand their business. We believe the information included in this packet will be beneficial.

The information was compiled from the Cabinet for Economic Development in Frankfort, the U.S. Small Business Administration, the Small Business Development Center, City of Frankfort and Franklin County Fiscal Court Planning and Zoning offices, as well as other local sources.

More information can be obtained from the sources listed in this book and also from the Kentucky Capital Development Corporation and Downtown Frankfort.

If you have any other questions that the Chamber can help you with, please do not hesitate to call me at 502-223-8261.

Sincerely,

Carmen Inman  
Executive Director

100 Capital Avenue  
Frankfort, KY 40601  
Phone: 502-223-8261  
Fax: 502-223-5942  
Email: [chamber@frankfortky.info](mailto:chamber@frankfortky.info)  
Website: [www.frankfortky.info](http://www.frankfortky.info)

The following is a letter from the Commonwealth of Kentucky Cabinet for Economic Development.

Greetings:

On behalf of the Kentucky Cabinet for Economic Development, the Small and Minority Business division would like to take the opportunity to commend you on Your desire to start your own business.

Starting your own business from scratch involves a great deal of planning and Research. If you are determined to start your own business, you must be certain that A genuine business opportunity does exist. There are only three types of opportunities or ideas for a new business venture:

- Ones that address an existing need that has previously gone unsatisfied;
- Ones that address an existing need better than any of the alternatives;
- Ones that are so revolutionary they create their own need,

Once your idea has been justified as a genuine business opportunity, you can Concentrate on getting your idea off the sound. This involves a great deal of planning and research. However, the most difficult aspect of starting your own business is raising seed capital-the money needed to plan, prepare, open and run the Business until it breaks even. Conventional sources of financing are not going to provide the capital. A small business does not become bankable until it has a track Record. The only sources of seed capital are your own pocket, friends, relatives, Potential partners, and sympathetic suppliers.

Before you look for start-up money, you have to make sure that you have taken care of personal responsibilities. You cannot start a business successfully and worry about where your next meal will come from or how your children's medical bills will be paid. Ideally, you should have enough money in the bank to cover 18 months of your personal expenses above and beyond the money needed to start the business.

The cost of starting a business can be surprisingly high. It is even more surprising when you realize that the majority of small businesses are started with the personal Resources of the small business owner. This money can come from savings, but more often than not it comes from borrowing against or selling personal assets. Banks may not lend money to a start-up business, but they will make personal loan if stocks, bonds, insurance policies, or real estate can secure it.

You must invest some of your own money. This will insure that you are somewhat independent, and it will show how committed you are to the business. It is believed, that if your own money is tied up in the business, you will work harder and be less likely to throw in the towel when times get hard.

For many potential entrepreneurs, this is the acid test. Can you risk your savings account on this venture? If the answer is no, you are not ready to start this business. If you cannot talk yourself into investing in the business, how will you talk others into investing? Before you look for sources of financing, you will have to prepare yourself for this task.

When you approach investors and/or lenders, be supremely sure of your facts. Know your business inside out. Be able to answer every possible question. All the analysis and planning you have done up to this point must be on the tip of your tongue. Questions, both financial and theoretical, must be answered quickly, insightfully and correctly. A thorough and complete business plan will enable you to do this.

To assist you in preparing your own business plan, you can obtain a copy of Developing a Thoughtful Business Plan from the Small and Minority Business Division website at <http://www.edc.state.ky.us> concentrating on the point outlined in this presentation is very important. Each step in the planning process is vital, and none should be considered lightly. When you have finished the process, you should have a complete and coherent document that serves your needs and the needs of others who may require information about your proposed business venture. If you do not possess the necessary skills to complete the steps, for free one-to-one management consulting, we suggest you contact:

Shirie Mack  
Bluegrass SBDC  
330 East Main St. #210, Lexington, KY 40507  
859-257-7666 office  
859-257-1751 fax  
888-475-SBDC  
[www.ksbdc.org](http://www.ksbdc.org)

To determine the permits, licenses, etc. required for your business, we suggest that you contact the Business Information Clearinghouse, Capital Plaza Tower, 23rd Floor, Frankfort, KY 40601,  
Phone: 800-626-2250

Starting your own business creates an atmosphere of optimism. In this atmosphere, the new entrepreneur sees everything through “rose colored glasses,” and frequently overlooks or minimizes important factors. To give yourself the best chance of success, it is important to try to get the largest variety of business factors into their proper perspective. One good way to achieve this perspective is by being well informed. Therefore, we have taken the initiative of compiling a list of websites we believe will enable you to make a well-informed decision.

As you visit the different websites, keep in mind that the Small and Minority Business Division does not endorse any particular product or service; nor are these the only on-line resources available. However, these sites clearly illustrate what must be done in systematic manner to accomplish your goal.

In closing, we would like to say that starting your own business is an exciting experience. It represents an opportunity to engage in a venture of your own choosing, and to successfully operate it as a profitable enterprise in a work environment that you enjoy.

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# **[1]**

## **[ CONTACTS FOR STARTING A BUSINESS ]**

Area Code (502)

Frankfort City Fire Department	875-8511
Frankfort City Business Licenses	875-8504
Frankfort City Planning & Zoning (includes City Building Inspector/City Electrical Inspector)	352-2094
Frankfort City Tax Administrator	875-8500
Frankfort City Public Works	875-8563
Franklin County Planning and Zoning	875-8701
Franklin County Building Inspectors	875-8701
Franklin County Electrical Inspector	875-8706
Franklin County Business License/Occupational Tax	875-8709
Franklin County Health Department	564-4269
Franklin County Fire Department	695-1617
Property Valuation Administrator	875-8780

### **UTILITY COMPANIES**

Columbia Gas	1-800-432-9345
ATMOS Energy	1-888-286-6700
Frankfort Plant Board	1-502-352-4372
East Kentucky Power	1-859-744-4864
Blue Grass Energy	1-859-885-4191
Kentucky Utilities	1-800-981-0600
Farmdale Water	1-502-223-3562

## [ 2 ]

# [ HANDY WEBSITES FOR BUSINESSES ]

Small Business Survival Index	<a href="http://www.sbdc.org">www.sbdc.org</a>
Kentucky Secretary of State (Incorporation )	<a href="http://sos.ky.gov/">http://sos.ky.gov/</a>
Internal Revenue Service ( Employee ID Number)	<a href="http://www.irs.gov.com">www.irs.gov.com</a>
Kentucky Tax Registration Application	<a href="http://www.state.ky.us/agencies/revenue">www.state.ky.us/agencies/revenue</a>
State License Applications	<a href="http://www.thinkkentucky.com">www.thinkkentucky.com</a>
KY Dept. for Employment Services	<a href="http://www.oet.ky.gov">www.oet.ky.gov</a>
KY Dept. for Environmental Services	<a href="http://www.dep.ky.gov">www.dep.ky.gov</a>
KY Division of Water	<a href="http://www.water.ky.gov">www.water.ky.gov</a>
KY Division of Waste Management	<a href="http://www.waste.ky.gov">www.waste.ky.gov</a>
KY Dept. of Housing, Building, & Construction	<a href="http://www.ohbc.ky.gov">www.ohbc.ky.gov</a>
KY Labor Cabinet, Occupational Safety & Health	<a href="http://www.labor.ky.gov/osh">www.labor.ky.gov/osh</a>
KY Commission on Human Rights	<a href="http://www.kchr.ky.gov">www.kchr.ky.gov</a>
SBA Online Women's Business Center	<a href="http://www.sba.gov/index.html">www.sba.gov/index.html</a>
One Stop Business Licensing Program	<a href="http://www.kysos.com">www.kysos.com</a>
Community Ventures Corporation	<a href="http://www.cvcky.org">http://www.cvcky.org</a>
Office of Commercialization & Economic Dev.	<a href="http://EconDev.uky.edu/VonAllmen">http://EconDev.uky.edu/VonAllmen</a>

# [ 3 ]

## [ STARTING A BUSINESS IS SELDOM EASY!]

### (GETTING STARTED)

You feel you have a good idea and the experience to make some money at it. So you pursue it. But then it starts! Where do I get financing? What about some help in developing a business plan? What licenses do I need and where do I get them? What taxes do I have to pay? And where do I get the forms and applications for all these things.

The Kentucky Business Guide has been developed by the Cabinet for Economic Development to assist you through the maze of business start-up questions. The Kentucky Business Guide will inform you of the basic federal and state licensing and tax requirements for a new business as well as where to call to determine what you need at the city and county level. Also included is a list of agencies and services that provided assistance in the areas of financing, business plan development and marketing, as well as resources, which sponsor business workshops to help you become a better businessperson.

The Guide has been developed as a directional tool for the small businessperson in Kentucky; however, this does not imply that the agencies listed are the only resources available for good, solid assistance.

If you need additional information that is not contained in the Guide, please contact Business Information Clearinghouse in the Cabinet for Economic Development. Visit our web site for the most current information.

Business Information Clearinghouse  
Division of Business and Entrepreneurship Development  
Department of Community Development  
Cabinet for Economic Development  
Capital Plaza Tower  
Frankfort, Kentucky 40601  
Phone: 502-564-4252  
800-626-2250 (in Kentucky)  
[www.thinkkentucky.com](http://www.thinkkentucky.com)

### {BUSINESS START-UP CHECKLIST}

DETAILS! DETAILS! AND MORE DETAILS! When you decide to open your own business, suddenly all of the details you took for granted when you worked for someone else are now your responsibility.



The Business Start-Up Checklist is a general guide listing some of the chores you will find yourself performing before that happy Grand Opening Day. Obviously, the type of business you are opening will have an effect on when and if you perform some of the items on the list. Also, the order may vary as well. However, the list is a good tool for acquainting the potential new businessperson with the basic steps in opening the doors for a new business.

1. Choose the product or Service
2. Present Business Plan to Finance Source (Financial Institution or Investors)
3. Obtain Adequate Finance Commitments
4. Choose Business Name
5. Open a Business Checking Account
6. Obtain Necessary Licenses/Permits-Including Tax Accounts, Sales Tax, State and Federal Withholding, etc.
7. Secure Lease for Place of Business
8. Contract for Renovations
9. Obtain Adequate Insurance-Fire and Theft, Liability, Workers Compensations, etc.
10. Order Inventory
11. Hire Appropriate Employees
12. Plan and Schedule Grand Opening
13. Grand Opening

#### { STEPS IN ESTABLISHING A BUSINESS IN KENTUCKY }

The Kentucky Cabinet for Economic Development operates the Business Information Clearinghouse, which prepares packets of needed information for establishing a business. These packets can be ordered by calling toll free (KY only) 1-800-626-2250 or (502) 564-4252.

The arrangement of the following steps does not imply a required sequence of events, but suggest a convenient progression.

The need to contact any or all of the agencies on the following list is dependent upon the type of business, the structure of the business and whether the business will utilize employees.

1. If the business is to be incorporated, file Articles of Incorporation (or Certificate of Authority, if corporate headquarters is out of state) with the Kentucky Secretary of State. Partnerships and limited liability companies must also file with the Secretary of State.

Secretary of State  
State Capital Building  
Frankfort, Kentucky 40601  
(502) 564-2848

Business filing forms may be downloaded from the following website:

<http://sos.ky.gov/>

2. Obtain an employer identification number from one of the following U.S. Internal Revenue Service district offices by filling an SS-4 from.

Internal Revenue Service  
The Gene Snyder Courthouse  
601 West Broadway, Room 1060  
Louisville, KY 40201  
Toll Free 1-800-829-1040

Internal Revenue Service Center  
550 Main Street  
Cincinnati, Ohio 45202  
Toll Free (KY) 1-800-829-1040

Form SS-4 may be downloaded from the following website: [www.irs.gov.com](http://www.irs.gov.com)

3. File a Kentucky Tax Registration Application (Form 10A100 or 10101) with the Kentucky Revenue Cabinet.

Taxpayer Registration Section  
501 High St.  
P.O. Box 299  
Frankfort, KY 40602  
(502) 564-3306  
Fax: (502) 227-0772

4. File state license applications, as required, for businesses or professions with the appropriate state government agency. Information on all state licenses and permits may be obtained from the state business information clearinghouse.

Business Information Clearinghouse  
500 Mero Street, Capital Plaza Tower  
Frankfort, KY 40601  
(502) 564-4252  
Toll Free (KY only) 1-800-626-2250

Information may be obtained from the Cabinet for Economic Development website:

[www.thinkkentucky.com](http://www.thinkkentucky.com)

5. Register with the Kentucky Department for Employment Services (Form UI.I) to establish a state unemployment insurance account.

Status Section  
Unemployment Tax Branch  
Post Office Box 948  
Frankfort, KY 40602-0948  
(502) 564-2272

Forms are available at the following website: [www.oet.ky.gov/employer](http://www.oet.ky.gov/employer)  
electronic services/

6. Check with local city or county planning and zoning offices to assure that the location of the business is in compliance with existing local zoning regulations.
7. Obtain a local business license from the City of Frankfort Finance Department (required for municipal locations) or from the Franklin County Business License/Occupational Tax Collector (required for locations outside of city limits). Your company business name (whether in city or county) needs to be filed with the County Clerk's Office.
8. Obtain certain permits, when applicable, before construction of any facility or occupancy of any existing facility.
  - A. Permits to build and operate in compliance with environmental Regulations from the Kentucky Department for Environmental Protection: Air pollution sources, including parking areas

Division of Air Quality (Address May Change in July of 2008)  
803 Schenkel Lane  
Frankfort, KY 40601  
(502) 573-3382  
Fax: (502) 573-3787

Permit applications may be obtained on-line at the following at the following website: [www.air.ky.gov](http://www.air.ky.gov)

- \* Sewage systems discharging into Kentucky waters, withdrawal of water exceeding 10,000 gallons per day from public waters and building sites in a flood plain.

Division of Water (Address May Change in July of 2008)  
14 Reilly Road  
Frankfort, KY 40601  
(502) 564-3410  
Fax: (502) 564-4245

Forms can be obtained from the following website: [www.water.ky.gov](http://www.water.ky.gov)

- \* Solid and hazardous wastes

Division of Waste Management (Address May Change in July of 2008)  
14 Reilly Road  
Frankfort, KY 40601  
(502) 564-6716  
Fax: (502) 564-4049

Permit application forms may be obtained online from the following website: [www.waste.ky.gov](http://www.waste.ky.gov)

- B. Approval of construction plans for compliance with building, electrical, plumbing and boiler codes by the Kentucky Department of Housing, Buildings, and Construction:

Permit applications from the Kentucky Department of Housing, Buildings and Construction are available online at the following website: [www.ohbc.ky.gov](http://www.ohbc.ky.gov)

\* Building Codes

Division of Building Codes Enforcement  
101 Sea Hero Road, Frankfort, KY 40601  
(502) 573-0373, Fax: (502) 573-1059

\* Electrical and Boiler Codes

Division of Fire Prevention  
State Fire Marshall's Office  
101 Sea Hero Road, Suite 100, Frankfort, KY 40601  
(502) 573-0373, Fax: (502) 573-1059

\* Plumbing Codes

Division of Plumbing  
101 Sea Hero Road, Suite 100, Frankfort, KY 40601  
(502) 573-0373, Fax: (502) 573-1059

- C. Apply for a building permit and a sewer connection permit (where required) from the city or county government. The construction contractor usually accomplishes this.

9. Obtain Workers' Compensation coverage for employees, by either:

- A. Buying insurance from a private carrier or Kentucky Employers Mutual Insurance (KEMI), or
- B. Joining an approved self-insurance group; or
- C. Becoming qualified as a self-insured employer by the Kentucky Department of Workers' Claims

For additional information contact the Kentucky Department of Workers' Claims, Ombudsman  
Office: 1-800-554-8601

10. Post state required posters in a conspicuous location at the place of Business:

- A. Kentucky Minimum Wage and Hour Law  
Kentucky Child Labor Law  
Wage Discrimination because of Sex

Posters containing these three notices may be obtained from:

Kentucky Labor Cabinet  
Division of Employment Standards and Mediation  
1047 U.S. Highway 127 South, Suite 4, Frankfort, Kentucky 40601  
(502) 564-3070, Fax: (502) 564-5387

- B. Safety and Health Protection on the Job

Kentucky Labor Cabinet  
Occupational Safety and Health  
Division of Compliance  
1047 U.S. 127 South, Suite 3, Frankfort, KY 40601  
(502) 564-3070, Fax: (502) 564-5387

Information on required posters may be obtained online at the  
Kentucky Labor Cabinet website: [www.labor.ky.gov](http://www.labor.ky.gov)

- C. Equal Employment Opportunity and Americans with Disabilities Act

Kentucky Commission on Human Rights  
332 West Broadway, The Heyburn Building, Suite 7  
Louisville, Kentucky 40202  
(502) 595-4024 or 800-292-5566, Fax: (502) 595-4801  
[www.kchr.gov](http://www.kchr.gov)

- D. Unemployment Insurance Benefits

KY Department of Education Division of Workforce Development  
Office of Employment & Training - Benefits Branch  
CHR Building, 2<sup>nd</sup> Floor West  
275 East Main Street, Frankfort, KY 40621  
(502) 564-4761, Fax: (502) 564-5623

For more information, visit the following website:  
[www.oet.ky.gov](http://www.oet.ky.gov)

E. Posters required by Kentucky laws to be posted in specific types of businesses.

- \* Equal employment opportunity
- \* Equal housing opportunity (business and individuals dealing in the sale, rental, or leasing of housing)
- \* Fair housing
- \* Public accommodations

Kentucky Commission on Human Rights  
332 West Broadway, the Heyburn Building, Suite 700  
Louisville, KY 40202  
(502) 595-4024 or 800-292-5566, Fax: (502) 595-4601

The Kentucky Chamber of Commerce offers a set of posters that include all required state and federal mandatory postings. One poster includes all state requirements; the second includes all the federal requirements.

The Kentucky Chamber of Commerce  
464 Chenault Rd., Frankfort, KY 40601  
(502) 695-4700, Fax: (502) 695-6824  
[www.kychamber.com](http://www.kychamber.com)

11. For technical assistance with the Americans with Disabilities Act  
Compliance contact:

Cabinet for Workforce Development  
Office of the Secretary  
State ADA Coordinator's Office  
500 Mero Street, Capital Plaza Tower, Frankfort, KY 40601  
(502) 564-3850 or 1-877-423-2933

12. Family and Medical Leave Act of 1993

U.S. Department of Labor - Wage and Hour Division  
Gene Snyder U.S. Court House and Customs House  
601 West Broadway, Room 31, Louisville, Kentucky 40202  
(502) 582-5226, Fax: (502) 582-6890  
Posters may be downloaded from the following website:  
[www.dol.gov](http://www.dol.gov)

13. Equal Employment Opportunity

U.S.E.E.O.C. - Public Information Center  
PO Box 541, Annapolis Junction, MD 20701  
1-800-669-3362  
Fax: (301) 206-9789  
[www.eeoc.gov](http://www.eeoc.gov) -  
\* (Mandatory in addition to State Postings)

14. Special Posters for:

- \* Minimum Wage and Overtime Poster
- \* Employee Polygraph Protection Act AH Pub. 1462
- \* Your Rights Under the Fair Labor Standards Act AH Pub. 1088
- \* Working on Federally Financed Construction Projects
- \* Migrant and Seasonal Agricultural Worker Protection Act

U.S. Department of Labor - Wage and Hour Division  
Washington, D.C. 20210

(502) 582-5226, Fax: (502) 582-6890

Posters can be downloaded from the following website:

[www.dol.gov](http://www.dol.gov)

Note: Most businesses find it helpful and timesaving to engage the services of a Kentucky licensed attorney or accountant to assist in establishing a business operation.

## **[ QUESTIONS TO BE ANSWERED IN YOUR BUSINESS PLAN ]**

Developing a business plan is the most important step to opening your business. A good business plan allows you to look at your business objectively and see where the strengths and weakness are before opening.

You should update your business plan annually and review the plan before making any major changes in your business.

The business plan is used by financial institutions as part of your financial package and will more than likely become part of or accompany any loan applications you submit as a businessperson. Remember, a business plan represents you. Be sure that it looks professional.

Below is a list of questions developed by the National Center for Research in Vocational Education, Ohio State University, (Ashmore 67) which provides you with the questions that a business plan should answer

### **1. DESCRIPTIONS OF THE BUSINESS**

- What type of business are you planning?
- What products or services will you sell?
- What type of opportunity is it (new, part-time, expansion, seasonal, year round)?
- Why does it promise to be successful?
- What are the growth opportunities?

### **2. MARKETING PLAN**

- Who are your potential customers?
- How will you attract and hold your share of the market?
- Who are your competitors?
- How will you promote sales?
- Who will be your best suppliers? Why?
- Where will the business be located?
- What factors will influence your choice of location?
- What features will your location have?
- How will your building contribute to your marketing strategy?
- What will your building layout feature?
- What will your building layout feature?



### 3. ORGANIZATIONAL PLAN

- Who will manage the business?
- What qualifications will you look for in a manager?
- How many employees will you need? What will they do?
- What are your plans for employee hiring, salaries and wages, benefits, training and supervision?
- How will you manage finances?
- How will you manage record keeping?
- What consultants or specialists will you choose? Why?
- What licenses and permits will you need?
- What regulations will affect your business?

### 4. FINANCIAL PLAN

- What will be your monthly cash flow during the first year?
- What is your total estimated business income for the first year? Monthly for the first year? Quarterly for the second and third years?
- What will it cost you to open the business and sustain it for eighteen months of operation?
- What will your personal monthly financial needs be?
- What sales volume will you need in order to make a profit during the first three years?
- What will be the break-even point?
- What will be your projected assets, liabilities and net worth on the day before you expect to open?
- What will the capital value of your equipment be?
- What will your total financial needs be?
- How will you use the money from lenders or investors?
- How will the loan be secured?

To order an outline of a business plan, which will fit most business operations,  
Contact:

Kentucky Cabinet for Economic Development  
Division of Small and Minority Business  
Department of Community Development  
67 Wilkinson Boulevard, Frankfort, Kentucky 40601  
(502) 564-2064  
[www.thinkkentucky.com](http://www.thinkkentucky.com)

**For assistance with Business Plan contact:**



**Community Ventures Corporation**  
Lamar Davis, Executive Vice President  
1450 N. Broadway, Lexington, KY 40505  
Phone: 800-299-0267 or 859-231-0054  
Email: [ldavis@cvcky.org](mailto:ldavis@cvcky.org) Website: <http://www.cvcky.org/offices>

## [ 4 ]

# [STRUCTURING YOUR KY BUSINESS]

One of the first decisions you will have to make when starting your business will be choosing what legal structure will be right for your particular business. There are basically four options from which to choose: sole proprietorship, partnership, corporation and limited liability company. The choice you make is not forever binding and can be changed if your business needs and conditions change. Following the sections on Structuring Your Kentucky Business are charts that describe each type of structure, where to file the business name and the type of taxes to be paid. Listed below are the definitions of the four basic structures.

### [ STRUCTURING]

**SOLE PROPRIETORSHIP.** Simplest form of business; No existence apart from you, the owner; business liabilities are your liabilities (both personal and business).

**PARTNERSHIP GENERAL.** Two or more individuals own the business; each partner contributes time, money, property, labor, or skill; all partners are liable for business debts, and to a certain point, liable for certain acts of the partner; each partner can incur debt, sign contracts and make business obligations; recommend drawing up a legal partnership agreement through an attorney.

**PARTNERSHIP LIMIT.** Have one or more general partners responsible for managing their business and liable for total debts incurred.

**CORPORATION GENERAL.** Life separate from owners and has rights and duties of its own; owned by stockholders but not necessarily managed by a stockholder, liable for its own debts and taxes, as a general rule, can distribute or retain income; no forms provided for drawing up Articles of Incorporation in Kentucky; wise to consult an attorney and/or accountant before incorporating.

**S CORPORATION (SMALL BUSINESS CORPORATION).** Basically a small business Corporation; formed the same as a regular corporation; advantage to S Corporation status rather than General Corporation is that it (a) is taxed in a manner of a General Partnership, (b) provides the same protection to the individual stockholders as a General Corporation, and (c) is formed the same as a General Corporation.

**LIMITED LIABILITY COMPANY (LLC).** The Kentucky Limited Company is a structure that combines the principle business advantage of a corporation with the income tax treatment of a partnership.

]

## **[SOLE PROPRIETORSHIP]**

A sole proprietorship is the simplest form of business organization. The business has no existence apart from you, the owner. Its liabilities are your personal liabilities, and your proprietary interest ends when you die. You undertake the risks of business to the extent of all assets, whether used in the business or personally owned.

In Kentucky, you do not have to file with either the Secretary of State or the county clerk in order to form a sole proprietorship unless you are conducting business under an assumed name. In that instance, you would need to file an assumed name with your local county clerk's office. The Secretary of State does not file an assumed name for sole proprietorship. You must report the profit or loss from each of your business operated as a sole proprietorship on a separate Schedule C (Form 1040). The amount of this business profit or loss is entered as an item of profit or loss on your Federal Individual Income Tax Return Form 1040 and your state income tax return form 740. Any net profit of \$400 or more is subject to self-employment tax (Social Security Tax for self-employment).

## **[PARTNERSHIP]**

**GENERAL PARTNERSHIP.** A general partnership is the relationship existing between two or more persons who join together to carry on a trade or business with each person contributing money, property, labor or skill, and each expecting to share in the profits and losses of the business. Any number of people may join in a partnership.

You and each of your partners are personally liable for all business debts and, to a certain point, liable for certain acts of your partners. Each partner can incur debts, sign contracts and make business obligations.

It is best to consult an attorney when drawing up your partnership agreement so that each partner clearly understands in the beginning what rights and obligations each partner has to the business.

In Kentucky, you are not required to file with either the Secretary of State or the county clerk in order to form a general partnership. However, if your general partnership is conducting business under a name other than its real name, you would need to register such assumed name with the Secretary of State and with each local county clerk's office wherein business will be conducted or transacted.

**LIMITED PARTNERSHIP.** A limited partnership has one or more general partners responsible for managing the business and liable for the total debts incurred. This type of partnership also included one or more limited partners who are liable only to the extent of their investment. Again, it is best to consult an attorney when forming your limited partnership.

In Kentucky, a limited Partnership must file a Certificate of Limited Partnership with the Secretary of State, in order to form such partnership.

A Foreign Limited Partnership doing business in Kentucky must also register with the Secretary of State. Once the real name of a Limited Partnership is registered with the Secretary of State, it may also file a Certificate of Assumed Name if it is doing business under another name.

**GENERAL CORPORATION.** A corporation is the most complex form of business structure. A corporation has a life separate from its owners and has rights and duties of its own. It is owned by its stockholder(s) but is not necessarily managed by a stockholder. It is organized under Kentucky State Law.

A corporation is liable for its debts and taxes and generally free to almost always protect from personal loss, other than their investments in company stock, if the company goes out of business.

A corporation is governed by its Articles of Incorporation and Bylaws. The corporation's articles must be prepared in compliance with Kentucky statutes, according to the specific needs of each corporation and submitted to the Secretary of State for filing. No forms for Articles of Incorporation are provided. Since the forming of a corporation is principally governed by statute, it may be wise to consult an attorney and/or accountant regarding the incorporation process, the advantages and disadvantages of incorporating and tax consequences.

Incorporating your business will require you to obtain additional license numbers and permits such as federal and state withholding accounts and corporation license and tax numbers. To obtain these applications, contact:

Business Information Clearinghouse  
Cabinet for Economic Development  
Old Capital Annex  
Frankfort, Kentucky 40601  
(502) 564-4252 or 800-626-2930  
[www.thinkkentucky.com](http://www.thinkkentucky.com)

**S CORPORATION.** An S Corporation is a small business corporation. The advantage in forming this type of corporation is that income is usually taxed in a manner similar to that of a partnership. The small business corporation usually pays no tax itself, because the earnings are divided among you and the owners (shareholders) according to each owner's share of the corporation stock. You pay tax on your share of the corporation's income, whether or not the total amount is received from the corporation. Information regarding Kentucky tax laws may be obtained from:

Kentucky Revenue Cabinet  
Corporate Tax Division  
501 High Street  
P.O. Box 181  
Frankfort, Kentucky 40602  
(502) 564-8139  
[www.revenue.ky.gov](http://www.revenue.ky.gov)

Information concerning the election of S Corporation status (formerly Sub Chapter S) may be obtained from:

U.S. Internal Revenue Service  
Cincinnati, Ohio 45999  
800-829-1040  
[www.irs.ustreas.gov](http://www.irs.ustreas.gov)

Information on additional license/permit requirements for an S Corporate can be obtained from the Business Information Clearinghouse.

**LIMITED LIABILITY COMPANIES.** The Kentucky Limited Liability Company Act, which establishes the guidelines and requirements for the formation of a Limited Liability Company (LLC) in Kentucky, went into effect July 15, 1994. The guidelines and requirements include:

- the limited liability company name
- the address of the initial registered office and the name of the initial registered agent
- the mailing address of the initial principal office
- a statement that the limited liability company is to be managed by managers or is to be managed by members
- if the limited liability company is to have a specific date of dissolution, the latest date on which the limited liability company is to dissolve

To obtain the necessary forms, call or write:

Kentucky Secretary of State  
P.O. Box 718  
Frankfort, Kentucky 40602-0718  
(502) 564-2848  
[www.sos.ky.gov](http://www.sos.ky.gov)

**FILING PROCESS.** The Articles of Incorporation must include:

- the corporate name
- number of shares the corporation is authorized to issue
- name and address of the initial registered office and agent
- the mailing address of the corporation's principal office
- the name and mailing address of each incorporator

The registered agent must be one of these three: a Kentucky resident, Kentucky corporation, or an out-of-state or foreign corporation authorized to do business in Kentucky. In all cases, the registered office must be identical to the business office of the registered agent. Such address must contain a street and number, if available, or other specific location (highway, rural route, etc.) The address must consist of more than a post office box. One original and two copies of the Articles of Incorporation

must be filed with the Kentucky Secretary of State along with the correct filing fee and organizational tax. The other two copies may be photocopies. Corporate bylaws are not filed with the Secretary of State.

After filing, the corporation will receive two file-stamped copies of the Articles of Incorporation from the Secretary of State. One file-stamped copy must then be filed with the county clerk of the county where the corporation's registered office is located.

For further information on incorporating a business in Kentucky, please contact:

Kentucky Secretary of State  
Corporation Division  
Capital Building Room 152  
Frankfort, Kentucky 40601  
Phone: (502) 564-2848 (Corporate Filings)  
(502) 564-7330 (Corporate Records)  
(502) 564-2848 (Corporate Name Availability)  
[www.sos.ky.gov](http://www.sos.ky.gov)

### **[ PROCEDURES FOR A NONPROFIT CORPORATION ]**

A nonprofit corporation is one whose income or profit is not distributed to its members, directors or officers. All of the income from the corporation's activities must be used only for the nonprofit activities of the organization. A nonprofit corporation does not issue shares.

If the corporation intends to apply for tax-exempt status, they should contact the Internal Revenue Service prior to filing Articles of Incorporation. In such cases the Internal Revenue Service may require that certain information be set out in the Articles of Incorporation. The procedure for becoming a nonprofit organization is:

1. You must apply to the Internal Revenue Service stating you want nonprofit tax status. To apply, contact:  
Internal Revenue Service  
Cincinnati, Ohio 45999  
800-829-1040  
[www.irs.ustreas.gov](http://www.irs.ustreas.gov)
2. If you incorporate, indicate that you are filing as a non-stock, nonprofit corporation. Contact:  
Kentucky Secretary of State  
Capital Building, Room 152  
Frankfort, Kentucky 40601  
(502) 564-2848  
[www.sos.ky.gov](http://www.sos.ky.gov)

3. Once you receive your nonprofit tax status from the Internal Revenue Service, you must apply to the Kentucky Revenue Cabinet for a purchase exemption number. (You must include a copy of the Internal Revenue Service letter stating that you qualify for nonprofit status.)

**To apply, contact:**

Kentucky Revenue Cabinet  
501 High Street, P.O. Box 181, Frankfort, Kentucky 40602  
(502) 564-3306  
[www.revenue.ky.gov](http://www.revenue.ky.gov)

**[ MOVING OR EXPANDING YOUR CORPORATION TO KENTUCKY ]**

If you have a corporation outside Kentucky (foreign corporation) and plan to move or expand that corporation to do business in Kentucky, you are required to apply in Kentucky with the Kentucky Secretary of State.

The corporation must file one original and two copies of an application for Certificate of Authority. The application must be accompanied by a Certificate of Existence, or similar document, (certificate of good standing) from the Secretary of State or other proper officer of the state or county under which it is incorporated. One file-stamped copy must also be filed with the county clerk of the county in which the registered office in Kentucky is located. Forms for filing an application for Certificate of Authority may be obtained at the Secretary of State's Office.

**For further information, please contact:**

Kentucky Secretary of State - Corporation Division  
Capital Building, Room 152, Frankfort, Kentucky 40601  
(502) 564-2848  
[www.sos.ky.gov](http://www.sos.ky.gov)

**BUSINESS EXPANSION.** This includes development of your original start-up/pilot operation, multiplying customer support, attaining growth, increasing staff, and acquiring resources to maintain customer demands. There are some basic rules to follow prior to expanding your business:

- Make your initial pilot operation stable including making it profitable.
- Become personally involved and gain experience in all aspects of your business.
- Separate your business liabilities from your personal assets.
- Don't be hasty or over-confident with decision making.
- Obtain instruction in the areas of recruitment, evaluation, and employee training.
- Learn to delegate responsibility and authority
- Develop a long-range financial plan.
- Do your homework and research competitor markets.
- Get to know your customers, and allow your customers to get to know you.
- Develop a realistic forecast of your business' future

Following these basic rules will better prepare you for the other aspect of business expansion once the final decision has been made to expand.

Another important option/alternative of expanding your business is developing alliances. An alliance is the union or connection of two individuals that form a business relationship or partnership. This relationship should command both partners' strengths to create a mutual profit greater than either could have independently achieved.

Alliance Strategies include the following:

**BUSINESS STRATEGY.** Major priorities and goals

**ALLIANCE DESIGN.** Joint planning, Memorandum of Understanding (MOU), negotiations/structure, integration, and forming an action plan.

**ALLIANCE MANAGEMENT.** Plan review/revisions, resolutions of disputes, communication/ trust, open issues, performance assessment/ status report, new ideas identifications of emerging obstacles, and governance.

**PORTFOLIO MANAGEMENT.** Managing “collective competition” by being responsible for specific alliances, management of alliance units (corporate or business groups), attendance at partner forums/committees/conventions, develop common rules for similar alliances, and develop/maintain a hierarchy of alliances.

**INTERNAL SUPPORT.** Coordination of strategies, integration of operations, maintain top management commitment, provide business management training, provide human resource management training, ensure support for all units, and use databases/intranets/websites/newsletters.

To find out more about alliances and strategies, please visit [www.alliancestrategy.com](http://www.alliancestrategy.com)

**TIP TO REMEMBER.** Although this guide defines the four basic forms of business structure, it is good, sound business judgment to seek both business and legal advice from an accountant and attorney before starting a business. The particular structure you choose may save you money.



## STRUCTURING YOUR KENTUCKY BUSINESS

TYPE OF ORGANIZATION	DESCRIPTION OF ORGANIZATION	COST OF ESTABLISHING	WHERE TO FILE BUSINESS NAME	TAXES
<b>SOLE PROPRIETORSHIP</b>	Simplest form of business; no existence apart from you the owner; business liabilities are your liabilities (both personal and business)	Cost varies at county level.	File Assumed Name with County Clerk where business is conducted or transacted.	Profit or loss on personal income tax.
<b>PARTNERSHIP GENERAL</b>	Two or more individuals own the business; each partner contributes time, money, property, labor or skill; all partners are liable for business debts and to a certain point, liable for certain acts of the partner; each partner can incur debt, sign contracts and make business obligations; recommend drawing up a legal partnership agreement through an attorney.	1. varies (may have legal fees if using an attorney) 2. \$20 to file Assumed Name Certificate.	1. Kentucky Secretary of State and County Clerk if operating under an assumed name 2. Federal Employer Identification Number (EIN)	Necessary to file a Partnership  Return that include the EIN (each partner files an individual return).
<b>PARTNERSHIP LIMITED</b>	Has one or more general partners responsible for managing the business and liable for totals debts incurred.	1. \$40 domestic; \$60 foreign, to file as a Limited Partnership with the Secretary of State. 2. \$20 for Assumed Name Filing 3. Cost varies at county level	1. Same as General Partnership for Assumed Name Filing. 2. Must have an EIN number. 3. Draft "Certificate of Limited Partnership," 4. File "Limited Partnership Certificate" with Secretary of State	Same as General Partnership.

# STRUCTURING YOUR KENTUCKY BUSINESS

TYPE OF ORGANIZATION	DESCRIPTION OF ORGANIZATION	COST OF ESTABLISHING	WHERE TO FILE BUSINESS NAME	TAXES
<b>CORPORATION GENERAL</b>	Life separate from owners and has rights and duties of its Owned by stockholders, but not necessarily managed by a stockholder, liable for its own debts and taxes; as a general rule, can distribute or retain income.	Varies (usually requires an attorney) 1. \$40 filing fee for Articles of Incorporation with Secretary of State plus organizational tax. 2. \$20 Assumed Name filing 3.\$15 Annual Report fee	1. Secretary of State 2. County Clerk 3. IRS Employers ID Number 4. State Revenue Cabinet 5. May require unemployment insurance 6. Workers Compensation 7. Other (depending on business)	1. Required filing of separate return  2. Corporation taxed on different scale from personal taxes.
<b>S CORPORATION (SMALL BUSINESS CORPORATION)</b>	Basically a small business corporation formed the same as a regular corporation; advantage to a S Corporation status rather than General Corporation is that: 1. is taxed in a manner similar to that of a General Partnership 2. provides the same protection to the individual stockholders as a General Corporation 3. is formed the same as a General Corporation	Same as General Corporation	Same as General Corporation ( except the S Corporation election must be filed with the IRS)	Corporation usually pays no taxes itself, because earnings are divided among the shareholders.
<b>LIMITED LIABILITY COMPANY (LLC)</b>	The Kentucky Limited Liability Company is a structure that combines the principal business advantages of a corporation with the income tax treatment of a partnership	1. \$40 filing fee for Articles of Organization. 2. \$20 for Assumed Name filing. 3. \$15 Annual Report fee with the Secretary of State	Secretary of State and County Clerk.	Organizational structure of the LLC determines its income tax status. 1. If LLC resembles a partnership, it will be taxed as a partnership. 2. If favors a corporation, it will be taxed as a corporation

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## [ FINANCING YOUR BUSINESS ]

### [ WHERE TO FIND FINANCING ]

Adequate financing is critical for the success of a small business. In addition to the money invested by the owner, funds usually must be borrowed from one or more sources.

Lenders expect the owner to assume some of the risk involved in the operation of the business, and they normally do not lend 100 percent of the capital needed. Because of restrictions placed on the amounts and the use of loans by lenders, the small business owner often borrows money from two or more sources to complete the financing package.

Some things that a potential lender will consider are the long-range potential for the type of business seeking financing, the financial plan for the business and the ability of the owner to make the business succeed. The personal reputation, work habits and dedication of the owner are important considerations. The owner may be required to make personal guarantees or to pledge personal assets to secure the loan made to the business.

The small business owner's local bank, commercial bank, credit union, savings and loan financial institution play an important role in all of the financial activities of the business. In addition to providing daily financial activities and loans for various purposes, the small business owner's bank usually is involved in transactions when the business borrows money from other lenders.

### [ KENTUCKY CORPORATION TAX REQUIREMENTS ]

(The following information is taken from the Commonwealth of Kentucky Revenue Cabinet)

**KENTUCKY CORPORATION INCOME AND LICENSE TAX.** Corporations are subject to income tax and license tax if: (a) legal or commercial domicile is located in Kentucky; (b) property is owned or leased in Kentucky; or (c) one or more employees receive compensation in this state.

Corporations subject to tax shall file an income tax return, Form 720 or 720S, and license tax return; Form 720L, within three and one-half months from the close of the tax year. Corporations with an estimated Kentucky income tax liability in excess of \$5,000 shall file a declaration of estimated tax. The income tax rates are: first \$25,000-4 percent; the next \$25,000-5 percent; the next \$50,000-6 percent; the next \$150,000-7 percent; and excess over \$250,000-8.25 percent.

For tax years beginning on or after January 1, 1986, Kentucky exempts S corporations from income tax except for tax on capital gains.

Corporation license tax is based upon capital employed in the business as defined in KRS 136.070. The tax rate is \$2.10 on each \$1,000 of capital employed with a credit of \$1.40 for each \$1,000 of capital employed up to \$350,000 for those corporations whose gross income does not exceed \$500,000.

**NOTE:** Corporations may request exempt status for income or license tax by submitting a copy of the articles of incorporation, existing amendments and Internal Revenue Service tax exemption rulings. A Kentucky tax status ruling will be issued from this information. The Revenue Cabinet does not use preprinted exemption applications.

**WITHHOLDING INCOME TAX FROM WAGES, SALARIES AND COMMISSIONS.** Every employer making payment of wages or salaries is required to withhold from such payments a tax determined by the Kentucky withholding tables. Forms for complying with the withholding tax statute are similar to those used for federal purposes.

**KENTUCKY SALES AND USE TAX.** Every person making retail sales of tangible personal property in Kentucky must pay a 6 percent sales tax measured by his total taxable receipts. A retail sale includes any sale made at retail or the last sale made of the tangible personal property before said property is consumed, stored or used in any way except holding it for sale. The lease or rental of tangible personal property for a consideration in Kentucky is treated as a sale or purchase, the tangible personal property in Kentucky is subject to a 6 percent use tax provided no Kentucky sales tax has been paid. This use tax applies to materials, supplies and equipment brought into Kentucky for storage, use or consumption in Kentucky.

Property exempt from the tax includes machinery for new and expanded industry, and energy and energy-producing fuel used in manufacturing, processing, mining and refining to the extent that the cost exceeds 3 percent of the cost of production. Also exempt are raw materials and industrial supplies which become a component of the manufactured product or are directly used in manufacturing or industrial processing and have a useful life of less than one year.

**KENTUCKY COAL SEVERANCE AND/OR PROCESSING TAX.** The severance and/or processing tax is a tax levied at the rate of 4.5 percent of the gross value of all coal severed and/or processed in Kentucky or 50 cents per minimum on severed coal, whichever is greater. The minimum tax does not apply to a taxpayer who only processes purchased coal.

Anyone engaged in severing and/or processing coal in Kentucky who has obtained title or an economic interest in the coal is the subject to the tax and must file a Kentucky Tax Registration Application for Withholding, Corporation, Coal, Sales and Use Taxes, Revenue Form 10A100, prior to severing and/or processing coal in Kentucky. A party who only receives an arm's length royalty shall not be considered as having economic interest.

**LOCAL PROPERTY TAX ASSESSMENT.** Every corporation, other than those reporting under KRS 136.115 et seq. below, shall list, with the local (county) property valuation administrator, its real and tangible property between January 1 and April 15 each year on property held as of January 1. Valuation of all property shall be at fair cash value. This assessment is made for state, county, school, and special district taxes. Some cities adopt the county assessment; however, some have an independent city assessor who must be contacted separately. Forms and instructions may be secured from the cabinet.

**PUBLIC SERVICE COMPANY PROPERTY TAX ASSESSMENT.** Public service companies as defined in KRS 136.120 shall list all their properties and file property tax returns annually with the Revenue Cabinet. Public service company tax assessments are made as of December 31 and bear the tax rates for the following fiscal year. The state tax is collected by the cabinet. Local taxes are collected locally after the assessment has become final and has been certified by the cabinet to the county clerk of the county in which the property is located.

**NOTE:** Corporations filing property tax returns under KRS 136.120 are exempt from the corporation license tax.

**REPORTING KENTUCKY STOCKHOLDERS.** Every corporation organized under the laws of this state or doing business in this state, whose stock is liable to assessment and taxation, shall report annually by February 15 the names and addresses of residents of this state who hold its shares of stock and outstanding bonds as of January 1. This report shall include the type of stock (common or preferred), the number of shares held and the number and the par value of bonds held. Revenue Forms 62A310 and 62A310-S1 shall be used for this report.

**QUALIFICATION WITH THE SECRETARY OF STATE.** Before any corporation may do business in Kentucky, it must qualify with the Secretary of State. Application for qualification must be made directly to the Secretary of State, Frankfort, Kentucky 40601.

Copies of the Kentucky Tax Registration Application for Withholding, Corporation, Coal, Sales and Use Taxes, Revenue Form 10A100, may be obtained from the Taxpayer Registration Section, Frankfort, Kentucky 40602, (502) 564-3306 (toll). Information regarding these taxes may be obtained from the Division of Compliance and Taxpayer Assistance, Frankfort, Kentucky 40602, or by calling (502) 564-4580 (toll).

**Frankfort Chamber of Commerce Acce\$\$ Program** mission is to provide easier access to the financing and helpful business advice that you need to start or grow your business. The Frankfort Chamber of Commerce and the area's leading banks and financial institutions have teamed up in the Acce\$\$ Loan Program to improve your odds of getting approval for a loan that matches your business needs. There are no guarantees, but you will know what your chances are of securing the credit you desire. The Program will provide valuable feedback from experts in the lending community to assist you in putting together a business plan and gathering information that is important to your success. For more information call Frankfort Chamber at 502-223-8261

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# [ FILING YOUR BUSINESS NAME ]

## [ GENERAL INFORMATION ]

When you operate a business in Kentucky as an individual proprietorship under a name other than your own or your real name, you are required to file a Certificate of Assumed Name with your local county clerk's office.

When you operate a business as a corporation, general partnership or limited partnership, the name you choose should be checked for its availability in the Secretary of State's Office before it is used. The type of business structure you choose to operate within will determine if and where you need to file your business name. An assumed name shall be effective for a term of five years from the date of registration and may be renewed for successive terms upon filing a renewal certificate within six months prior to the expiration of the term, in the same manner of filing upon filing a renewal certificate within six months prior to the expiration of the term, in the same manner of filing as the original certificate.

## [ SOLE PROPRIETORSHIP ]

A sole proprietorship operating a business under an assumed name, a name other than you own or your real name, you are required to file a Certificate of Assumed Name with your local county clerk's office where the business will be conducted. The certificate you file should state the assumed name under which the business will be conducted, the real name of business and the business address. Usually, forms for filing can be obtained through the county clerk's office. The office of the Secretary of State does not file an assumed name for a sole proprietorship.

## [ PARTNERSHIP ]

**GENERAL PARTNERSHIP.** A general partnership operating a business under an assumed name, a name other than its real name files a Certificate of Assumed Name with the Secretary of State's Office first and thereafter with each county clerk where the business will be conducted under such assumed name. Certificate of Assumed Name forms for general partnership may be obtained from The Secretary of State.

**LIMITED PARTNERSHIP.** A limited partnership that is formed files a Certificate of Limited Partnership under its real name as stated in its Certificate of Limited Partnership.

## [ CORPORATION ]

**DOMESTIC CORPORATION.** A corporation formed in Kentucky must register its corporate name by filing Articles of Incorporation in the Secretary of State's Office. Again, there are no forms for Articles of Incorporation provided.

**FOREIGN CORPORATION.** A Foreign Corporation (defined as any corporation incorporated under laws of another state or country) that is conducting business in Kentucky must make application for a Certificate of Authority with the Secretary of State's Office under its real name. If the name of a foreign corporation is not distinguishable from that of another name presently on file with the Secretary of State, the corporation must adopt a resolution of its board of directors authorizing it to do business under a fictitious name in Kentucky. Forms for application for Certificate of Authority may be obtained at the Secretary of State's Office.

## [ RESERVATION OF NAME ]

You may reserve a name before forming your corporation or partnership by filing a Reservation of Name, which is effective for 120 days and may not be renewed. Forms for Reservation of Name may be obtained at the office of the Secretary of State.

**ASSUMED NAME.** Any corporation, limited partnership or business trust that filed its real name with the Secretary of State and is conducting its business under another name, must file a Certificate of Assumed Name with the Secretary of State and thereafter, with each county clerk where the business will be conducted under such assumed name.

**NAME AVAILABILITY.** You may request a preliminary name availability check by contacting the office of the Secretary of State. The preliminary name check is not required; it is not binding on the Secretary of State and does not give a business the right to use the name. By law, a name must be distinguishable from one already on file with the Secretary of State. The name will not be available for use until the Secretary of State has issued or filed one of the following:

- Reservation of Name
- Returned file-stamped Articles of Incorporation
- Returned file-stamped Application for Certificate of Authority of a Foreign Corporation or a registration of a Foreign Limited Partnership
- Returned file-stamped Certificate of Kentucky Limited Partnership
- Returned file-stamped Certificate of Assumed Name
- Returned file-stamped Articles of Organization of Limited Liability Company
- Certificate of Authority for Foreign Limited Liability Company

**TIPS TO REMEMBER.** The name you give any stock corporation in Kentucky must contain one of the following words: **Corporation, Incorporated, Company,** or **Limited** or an abbreviation thereof.

The name you give any nonstock or not-for-profit corporation must also include the words CORPORATION, INCORPORATED, or an abbreviation “INC”, or COMPANY or the abbreviation “CO.” However, if the word COMPANY OR THE ABBREVIATION “CO.” IS USED, IT MAY NOT BE IMMEDIATELY PRECEDED BY THE WORD “AND” OR THE ABBREVIATION “&.”

ASSUMED NAME means any name of a business operating with a name other than its “real name.”

**For further information on name availability in Kentucky, please contact:**

Kentucky Secretary of State - Corporation Division  
Capital Building, Frankfort, Kentucky 40601  
(502) 564-2848 (Name Availability)

[www.sos.ky.gov](http://www.sos.ky.gov)



# [ 7 ]

## [ LICENSING YOUR BUSINESS ]

The following section addresses the three (3) areas of government and the agencies a new businessperson must deal frequently with when starting a business. Each section addresses generations of licensing and only alerts you to specialized areas of business licensing you need to pay particular attention to before opening or expanding your business. The following does not list all requirements, only the highlights.

Business Information Clearinghouse  
Cabinet for Economic Development  
Old Capital Annex  
Frankfort, Kentucky 40601  
(502) 564-4252 or 800-626-2930  
[www.thinkkentucky.com](http://www.thinkkentucky.com)

### [ FEDERAL LICENSES ]

It is unlikely that a small business owner will need any type of specialized license from the federal government other than your Employers' Identification Number (EIN). However, the following is a list of the activities that require special federal license.

<b><u>ACTIVITY</u></b>	<b><u>FEDERAL AGENCY</u></b>
Rendering investment advice	Securities & Exchange Commission
Providing ground transportation as a common carrier	Interstate Commerce Commission
Preparation of meat products	Food & Drug Administration
Production of drugs or biological products	Food & Drug Administration
Making tobacco or alcohol	Treasury Department, Bureau of Alcohol, Tobacco, & Firearms
Labeling	Federal Trade Commission
Making or dealing in firearms	Treasury Department, Bureau of Alcohol, Tobacco, & Firearms
Radio or television broadcasting	Federal Communications

## [ STATE LICENSES ]

Determine what licenses are required for your specific business venture can be quite a task for a new or expanding businessperson. There are over 500 different licenses and permits at the state level alone. This does not include federal or local licenses your business may need.

A good place to contact when determining your licensing requirements is the Business Information Clearinghouse. The clearinghouse offers complete licensing information for opening a business in Kentucky and, in many instances, can provide you with the actual applications and forms you will need to obtain. For complete state, federal and local licensing information, contact:

Business Information Clearinghouse  
Cabinet for Economic Development  
Old Capital Annex, Frankfort, KY 40601  
(502) 564-4252 or 800-626-2930  
[www.thinkkentucky.com](http://www.thinkkentucky.com)

## [ LOCAL LICENSES AND TAX REQUIREMENTS ]

**CITY - COUNTY REQUIREMENTS.** Counties in Kentucky vary on regulations and permit requirements. Some counties have department offices, other do not. As a general rule, the county or city clerk's office is a good place to begin seeking information on local requirements. City website: [www.frankfort.ky.gov](http://www.frankfort.ky.gov)  
County website [www.franklincounty.ky.gov](http://www.franklincounty.ky.gov)

**ZONING.** Many geographic areas are zoned for specific uses, and your business may be subject to these local zoning requirements. Some businesses are excluded from residential zones or from close proximity to residential zones. Check with your local authorities before leasing or purchasing a business site to ensure compliance with the zoning requirements. City website: [www.frankfort.ky.gov](http://www.frankfort.ky.gov)  
County website [www.franklincounty.ky.gov](http://www.franklincounty.ky.gov)

**COUNTY TAXES.** The County may require businesses to pay a county occupational tax. This tax, if applicable, will pertain to all those businesses within the county boundaries. In addition, some counties require employers to withhold an occupational tax on employees. County website [www.franklincounty.ky.gov](http://www.franklincounty.ky.gov)

**CITY TAXES.** If your business is located within city limits, you may be responsible for city occupational taxes. Businesses within city limits may be subject to both city and county occupational taxes. City website: [www.frankfort.ky.gov](http://www.frankfort.ky.gov)

**LOCAL BUSINESS LICENSE.** Each city and/or county has the option to require a local business license. This requirement is more frequent at the city level. This business license, where applicable, may be required of a retail, manufacturing or service firm. Or it may pertain to all three. Your local governmental office will be able to assist you in obtaining a local business license if it is required.  
City website: [www.frankfort.ky.gov](http://www.frankfort.ky.gov) County website [www.franklincounty.ky.gov](http://www.franklincounty.ky.gov)

**SPECIALIZED LOCAL LICENSE.** In addition to a possible business license, your business may require a specialized license. These licenses may be required at the city or county level. Some common examples of such licenses include a peddler's license, a jeweler's license or an insurance agent's license.

Listed below are the federal state and local agencies you need to contact before opening your business or before renovating an existing business structure.

#### **[ STATE LICENSING CONTACTS ]**

1. State Building Inspector  
Department of Housing, Buildings and Construction  
Division of Building Code Enforcement  
101 Sea Hero Road, Suite 100, Frankfort, KY 40601  
502-573-0365, ext. 125  
[www.ohbc.ky.gov](http://www.ohbc.ky.gov)
2. State Fire Marshall  
Department of Housing, Buildings and Construction  
Division of Fire Protection  
101 Sea Hero Road, Suite 100, Frankfort, KY 40601  
(502) 573-0382  
[www.ohbc.ky.gov](http://www.ohbc.ky.gov)

#### **[ LOCAL LICENSING CONTACTS ]**

- a. Business License – Franklin County  
Business License/Occupational Tax Administrator  
321 W. Main Street, Frankfort, KY 40601  
(502) 875-8709  
Franklin County Planning & Zoning  
321 W. Main Street, Frankfort, KY 40601  
(502) 875-8701
2. Business License – City of Frankfort  
Business License –Finance Department  
Second Street, P.O. Box 697, Frankfort, KY 40602  
(502) 875- 0505  
City of Frankfort Planning & Zoning  
Second Street, P.O. Box 697, Frankfort, KY 40602  
(502) 352-2100

## [ FEDERAL LICENSING CONTACTS ]

1. **AMERICAN WITH DISABILITIES ACT.** Requires businesses to improve accessibility and/or eliminate or compensate for architectural barriers (such as doorways, stairs, water fountains, bathrooms, eating accommodations, seating, curbs, sidewalks, parking, etc.) to individuals with disabilities in all commercial and public buildings and transportation systems.

The law is complex but does allow for readily achievable accommodation to smaller and existing businesses. (Readily achievable is anything that is easy to do and of low cost while still achieving the goal of accessibility to individuals with disabilities.)

The Internal Revenue Service currently allows businesses up to \$5,000 in tax credits or \$15,000 in tax deductions for costs of removing architectural barriers to aid accessibility for the disabled or make the work place more accessible.

General information on complying with the American with Disabilities Act as well as an Accessibility Checklists is available from:

Department for Workforce Investment  
209 St. Clair Street, Frankfort, Kentucky 40601  
(502) 564-4440 or 800-372-7172  
[www.workforce.ky.gov](http://www.workforce.ky.gov)

## [ BUILDING CODES, ZONING, AND ADA PUBLIC ACCESS ]

New business locations and business locations under renovation may need to meet state building codes, local zoning requirements and Americans with Disabilities public access requirements. Even the home based businesses, with no employees, may need to meet specific requirements for signs and parking. City website: [www.frankfort.ky.gov](http://www.frankfort.ky.gov)  
County website [www.franklincounty.ky.gov](http://www.franklincounty.ky.gov)

These regulations can vary with each business location depending on:

- type of business
- location within the county or city
- employees
- public access
- type of structure

## [ ENVIROMENTAL LICENSE AND PERMITS ]

The old saying an ounce of prevention is worth a pound of cure is certainly true when it pertains to meeting environmental licensing and permitting requirements.

Even the smallest of business may need to obtain an environmental permit or license. Businesses such as furniture refinishing, gasoline stations, heating and air conditioning repair, print shops, pest control and lawn chemical applicators and dry cleaners are a few that must meet environmental regulations.

The KY Natural Resources and Environmental Protection Cabinet offers assistance to new and expanding businesses in the area of environmental permitting through its Ombudsman's office and through the One Stop Environmental Permit Coordinator. These offices can tell you what environmental permits, if any, are required for your business. It will save your business money by complying in the beginning rather than paying for costly cleanups or fines.

**For information on environmental permitting, contact:**

One Stop Environmental Permit Coordinator - Office of the Commissioner  
Department for Environmental Protection  
300 Fair Oaks Lane, Frankfort, Kentucky 40601  
(502) 564-2150, [www.dep.ky.gov](http://www.dep.ky.gov)

**KENTUCKY POLLUTION PREVENTION CENTER.** Kentucky Pollution Prevention Center is a waste management resource center that provides information on how to manage, recycle, process or exchange waste even the smallest business produce, such as dry cleaners or auto body shops. The service is free to all Kentucky businesses. The center is located at the University of Louisville and provides a toll-free number for your convenience in calling:

Kentucky Pollution Prevention Center  
University of Louisville, Louisville, Kentucky 40292  
(502) 852-0965, [www.kppc.org](http://www.kppc.org)

**BUSINESS ENVIRONMENTAL ASSISTANCE PROGRAM-AIR QUALITY.** Operated by the Center for Business Development at the University of Kentucky, this non-regulated program offers a confidential air quality environmental assistance to businesses, which promote economic competitiveness.

Services include environmental training seminars, publication to help businesses reduce air emissions through prevention techniques and on-site air quality environmental assessments to individual businesses. The center's reference library and toll-free phone line act as a clearinghouse for information about techniques, products and equipment that businesses can use to prevent production and release of air pollutants. These services will help businesses comply with federal and state regulations including Title V of the Clean Air Act of 1990. For more information and assistance, contact:

Kentucky Small Business Development Center  
225 Gatton College of Business and Economics  
Lexington, Kentucky 40506  
(859) 257-7668, [www.ksbdc.org](http://www.ksbdc.org)

## [ 8 ]

# [ EMPLOYER RESPONSIBILITIES ]

### [ THE BUSINESS INFORMATION CLEARINGHOUSE ]

The Business Information clearinghouse, commonly called the “Clearinghouse,” was established within the Cabinet for Economic Development in January 1985 to serve as a central information and referral center on state, federal, and local regulations for new and expanding businesses. To ensure its accessibility to Kentucky businesses, the Clearinghouse offers a toll-free number (1-800-626-2930) operational statewide to enable clients’ quick access to the services at no cost.

In Kentucky, there are over 500 areas of state business regulation administered by over 80 units of state government, not including federal or local licensing. The Clearinghouse maintains a computerized license inventory file which lists each license requirement, governing agency, contact person, Kentucky Revised Statute (KRS), fees, a brief description, and Standardized Industrial Code (SIC) for which the license would be required.

For a new business start-up or existing business expansion, the staff has the capability to assemble customized application and informational packets for any business proposal in Kentucky. In the licensing areas that require more technical expertise, clients are referred to an established contact person within the appropriate licensing agency of state government. (Examples of referrals include environmental, health care fields, food industry, etc.)

The Clearinghouse also provides new and expanding businesses with applications for the Federal Identification Number. (All other federal licensing requirements such as the gun license are handled by referring the client to the appropriate agency.)

Local licensing, zoning and tax administration is also handled by referral to the appropriate governing body within local county and city governments. These regulations change too quickly for the staff to attempt to keep an updated list of requirements for each county and city. Instead, the client is provided with an address and phone number of the appropriate agency with the county and/or city. This information is included in the “basic licensing packet.”

## [ BUSINESS INFORMATION CLEARINGHOUSE (BIC) EMPLOYER PACKET ]

The Business Information Clearinghouse provides a basic state and federal employer application packet for new and expanding businesses in Kentucky. The packet includes:

- SS-4 (EIN) (Employer Identification Number Application)
- 10A100 Kentucky Tax Registration Application
- Sales and Use
- State Withholding
- Corporation License Tax
- Coal Severance
- UI-1 (Unemployment Insurance Application)
- Immigration Information
- Worker's Compensation Information
- Information on Americans with Disabilities Act

For an employer application packet, contact the Business Information Clearinghouse at 1-800-626-2930

## [ FEDERAL EMPLOYER RESPONSIBILITIES ]

**FEDERAL SOCIAL SECURITY (FICA) TAX.** The Federal Insurance Contribution Act (FICA) insures income for retired persons who have worked for a period of time before retirement. Both employers and employees pay FICA taxes on wages up to a yearly ceiling.

**FEDERAL UNEMPLOYMENT EMPLOYER TAX.** Most employers are liable for filing an annual Form 940 under the Federal Unemployment Tax Act (FUTA). Employers may also be liable for making quarterly federal tax deposits. Reporting forms may be obtained from the Internal Revenue Service.

**FEDERAL WITHHOLDING TAX.** Employers are responsible for withholding federal income taxes from employees' wages. Withholding is based on the employees' W4 Form.

**EMPLOYER'S IDENTIFICATION NUMBER.** The Internal Revenue Service (IRS) and Social Security Administration use an Employer Identification Number (EIN) to identify businesses on all returns, statements and other documents.

To apply for an EIN, you must file an SS-4 Form, which may be obtained from the Business Information Clearinghouse or your local IRS office.

**NOTE:** Since January 2, 2002, taxpayers are now able to call a toll-free number, 1-866-816-2065, to get an EIN. IRS customer service representatives are able to answer calls Monday through Friday, from 7:30 am to 5:30 pm customer's local time. Taxpayers will be able to fax EIN requests 7 days a week/24 hours a day by dialing

the fax number to one of the three IRS Campus' that will be accepting applications. The instructions on the newly revised Form SS-4, Application for Employer ID Number, will indicate which IRS Campus is assigned to their specific state. Detailed information and an electronic SS-4 can be found at the IRS Small Business/Self Employed Community Website at [www.irs.gov/smallbiz](http://www.irs.gov/smallbiz), click on New Business. Faxed applications will be processed in four days. The IRS Campus' accepting faxed application are:

Brookhaven, NY (613)447-4991  
Cincinnati, OH (513)669-5760  
Philadelphia, PA (215)516-3990

The IRS conducts seminars and issues publications detailing the forms necessary to start a business.

For any questions concerning federal requirements and ordering tax forms, contact:

Internal Revenue Service  
1-800-829-1040 (tax information)  
1-800-829-3676 (order tax forms)  
[www.irs.ustreas.gov](http://www.irs.ustreas.gov)

**IMMIGRATION LAW.** The Immigration Reform and Control Act of 1986 affects all American employers. All employers hiring a new employee must have the employee fill out an Employment Eligibility Verification Form and provide proof that he/she is a U.S. citizen or legal alien authorized to work in the U.S. For further information and/or forms, contact:

Immigration and Naturalization Service  
1-800-375-5283 (TTY 1-800-767-1833)  
[www.uscis.gov](http://www.uscis.gov)

**AMERICANS WITH DISABILITIES ACT (ADA).** The Americans with Disabilities Act (ADA), effective 1992, affects virtually every business in the areas of employment practices and business accessibility to the public.



## [Requirements for the City of Frankfort]

Forms are available online at [Frankfort.Ky.Gov/Downloads/Finance Dept Forms](http://Frankfort.Ky.Gov/Downloads/Finance%20Dept%20Forms).

For Business License: contact Doug Young or Tammy Brown @ 502-875-8500 for more information. Business license forms are available online at [www.frankfort.ky.gov](http://www.frankfort.ky.gov) for the City of Frankfort.

Below is a checklist of items that need to be completed in order to do business in the City of Frankfort:

- Frankfort businesses-\$35.00 Business Application Fee
- Out-of-town Itinerant Businessmen/Contractors-\$60.00 (License \$35.00 + Regulatory Fee \$25.00 = \$60.00)
- Annual Business License Renewal -\$35.00 or the greater of 1.75% of the net profit
- Annual Regulatory License Fee for Out-of-Town Businesses-\$25.00(Due 5/1)
- Employee Withholding -1.75% of the employee salary. (Quarterly Return)
- Alcohol Sales-Contact the Alcoholic Beverage Control (502-564-4850) prior to applying with the City of Frankfort

**NOTE:** Non-Profit Organizations are required to pay 1.75% occupational tax on all employees.

Questions regarding Planning and Zoning in the City of Frankfort call (502) 352-2100 or visit: City of Frankfort website: [www.frankfort.ky.gov](http://www.frankfort.ky.gov).

Questions regarding Planning and Zoning in Franklin County call (502) 875-8701 or visit: Franklin County Fiscal Court website [www.franklincounty.ky.gov](http://www.franklincounty.ky.gov).

# **[BUSINESS START-UP CHECKLIST ]**

1. Choose the Product or Service
2. Develop a Business Plan
3. Present Business Plan to Finance Source (Financial Institution or Investors)
4. Contact local Planning & Zoning for site restrictions
5. Obtain Adequate Finance Commitments
6. Choose Business Name
7. Open A Business Checking Account
8. Secure Business License prior to signing any lease agreement
9. Obtain Necessary Licenses/Permits-Including Tax Accounts, Sales Tax, State and Federal Withholding, etc.
10. Secure Lease for Place of Business – clause in lease stating agreement lease contingent on approval from Planning & Zoning.
11. Contract for Renovations – may require building inspection, permits/local and/or state
12. Obtain Adequate Insurance-Fire and Theft, Liability, Workers' Compensation, etc.
13. Order Utilities
14. Secure Equipment, Machinery, Furniture, and Fixtures
15. Order Inventory
16. Hire Appropriate Employees
17. Plan and Schedule Grand Opening
18. Grand Opening

# Small Business Development Council

## Organization Contact List

### **Frankfort Area Chamber of Commerce**

*Carmen Inman*, Executive Director

100 Capital Avenue, Frankfort, KY 40601

Phone: (502) 223-8261, Fax: (502) 223-5942

Website: [www.frankfortky.info](http://www.frankfortky.info)



The Frankfort Chamber is a catalyst...a common vehicle through which the enlightened mutual interests of all segments of the business community work together for the common good of the total community. A better community means better business and we are working for a better community for everyone here. One reason for the Chamber of Commerce to exist and that is to do whatever is necessary to keep this area's economic condition such that people will be willing to risk their resources here in the hope of making a profit.

In any community, it is from the profitable operation of business that all other benefits are derived. Only to succeeding in this fundamental goal can we provide the jobs and produce the wealth to finance all of the governmental, civic, cultural, and charitable needs that our community is faced with everyday. We do a lot of diverse things to accomplish that primary goal.

Each year, the Board of Directors of the Frankfort Chamber approves the organizations Program of Work, which highlights priority action-areas for the coming year. Our goal is to set a program of work that will best suit our membership. Most of the members of the Chamber are retailers, manufactures, professional individuals, colleges, etc. We have a dues structure and categories based on size, ability to invest and number of employees. Our members support the Chamber's program every year and believe in what is being accomplished.

The major benefit of membership in the Frankfort Area Chamber of Commerce is that the Chamber acts as the unified voice of over 700 area businesses and individuals, including industry and professional firms. We maintain our vitality because our members want to get involved in matters, which concern the economic well being of the area

### **Kentucky Capital Development Corporation**

109 Consumer Lane, Frankfort, KY 40601

Phone: (502) 226-5611

Website: [www.cceida.com](http://www.cceida.com)



Economic development is the process of creating wealth through the mobilization of human, financial, capital, physical, and natural resources to generate marketable goods and services.

The role of the Kentucky Capital Development Corporation is to influence the process for the benefit of our community through the expansion of existing businesses, creation of new businesses, attraction of new businesses and the expansion of new job opportunities and tax base.



**Community Ventures Corporation**  
**Community Ventures Corporation**  
Lamar Davis, Executive Vice President  
1450 N. Broadway, Lexington, KY 40505  
Phone: 800-299-0267 or 859-231-0054  
Email: [ldavis@cvcky.org](mailto:ldavis@cvcky.org) Website: <http://www.cvcky.org/offices>

Headquarters:  
1450 North Broadway, Lexington, KY 40505  
Phone: 859-231-0054; Toll Free: 800-299-0267  
Website: [www.CVCKY.org](http://www.CVCKY.org)

Educating and Financing a New Generation of Home and Business Owners: CVC has been empowering homebuyers, new businesses and expanding businesses in KY with education and financing since 1982. Work with a counseling and lending organization that is on your side every step of the way. Get started with your new business with good advice, hands-on training and access to capital. Take advantage of special financing programs to grow your business faster and create new jobs.

#### **Kentucky Cabinet for Economic Development**

*Mark Johnson*, Branch Manager  
Dept. for Existing Business Development  
Small and Minority Business Branch  
500 Mero Street, Capital Plaza Tower, 23<sup>rd</sup> Floor  
Frankfort, KY 40601  
Phone: (502) 564-4252, Toll Free: (800) 626-2250, Fax: (502) 564-5932  
Website: [www.ThinkKentucky.com](http://www.ThinkKentucky.com)



**Small & Minority Business** – provides initial start-up and growth information to small businesses. Examples include information on starting or buying a business, operating an online business, developing a business plan, getting your business certified and Kentucky Business Finder registration assistance. This area is also a contact point to learn more about topics such as business funding, buying into a franchise, financial statements and business incubators. For additional information or assistance, please email [cedsbsd@ky.gov](mailto:cedsbsd@ky.gov) or call 800-626-2250

#### **Kentucky State University Extension Program**

*Nolan Williams*  
400 East Main Street, Frankfort, KY 40601  
Phone: (502) 597-6325



KSU's Cooperative Extension Program - Community Resource and Economic Development program - (1) helps communities identify and address critical issues that impact the lives of their members; (2) expand leaderships capacity and promote active participation in community problem-solving; and (3) supports development of local economic systems that are sustainably competitive.



## **Bluegrass Small Business Development Center**

*Shirie Mack*, Center Director

330 East Main St., Ste. 210, Lexington, KY 40507

Phone: (859) 257-7666

Website: [www.ksbdc.org](http://www.ksbdc.org)

The **Small Business Development Center (SBDC)** is strengthening Kentucky's small business community by providing unparalleled training and consulting services to new ventures and existing businesses.

### **SBDC Services**

#### **Planning**

KSBDC provides valuable tools to help entrepreneurs make informed business decisions when planning to open a new business, purchase an existing business or expand an established business. Each KSBDC service center has access to demographic information, market research, industry profiles, sample business plans and a variety of publications covering numerous business topics. Additionally, the KSBDC provides clients with access to a network of knowledgeable consultants with various expertise who are working vigorously to insure small business success.

#### **Consulting**

KSBDC offers free one-on-one consulting services. All of our management consultants have broad-based skills, significant experience as business owners and/or managers and a track record of assisting with the growth of successful businesses. Our consultants are qualified to answer questions and address a variety of topics, including:

- Developing a Comprehensive Business Plan
- Analyzing Cash Flow and Financial Projections
- Market Planning and Research
- Managing Human Resource Issues
- Financing Options

#### **Training**

KSBDC offers an intensive schedule of affordable training workshops both in the classroom and on-line. These expert-led training workshops are designed to provide new venture and existing business owners with the knowledge required to maintain or expand a profitable business.



## **U.S. Small Business Administration Kentucky District Office**

Tommie Causey, BDS

Phone: (502) 582-5588, ext 237

Website: [www.sba.gov](http://www.sba.gov)

600 Mr. Martin Luther King Jr. Pl, Room 188, Louisville, KY 40202-2254

Realize your dreams of entrepreneurship with a wealth of resources from the U.S. Small Business Administration. Whether your enterprise is a startup, an established or an expanding business, the SBA's resources and services can help you.

As ***Your Small Business Resource***, the SBA can connect you with a network of services to fit your needs.

- SBA Loan Guaranties and Investment Financing
- Federal Contracting Assistance
- Surety Bond Guarantee Program
- Business Counseling and Training
- International Trade
- Disaster Assistance

## **Office of Commercialization & Economic Development**

Contact: Warren O. Nash III, Director  
Lexington Innovation & Commercialization Center  
Von Allmen Center for Entrepreneurship  
330 East Main Street, Ste. 210, Lexington, KY 40507  
Office: 859-257-6871  
Fax: 859-257-1751  
Email: [warren.nash@uky.edu](mailto:warren.nash@uky.edu)

The Lexington Innovation and Commercialization Center and Kentucky Innovation Network offers assistance to startup companies by providing consultation, market assessment, growth strategies and professional networks

The Von Allmen Center for Entrepreneurship is the nexus for startup companies at the University of Kentucky. With offices in ASTeCC and downtown Lexington, the Von Allmen Center provides ongoing support and services for UK faculty, clinicians, staff and students – and community entrepreneurs – who want to start a business based on their research and ideas.

Services include market research, commercialization assessment, assistance with business plans and marketing strategies, connections to vetted service providers, and access to federal, state and private funding sources including the federal SBIR-STTR programs and the state SBIR-STTR matching awards

### **Access Loan Program**

Contact office: Frankfort Area Chamber of Commerce  
100 Capital Avenue, Frankfort, KY 46001  
Office: 502-223-8261  
Email: [Chamber@FrankfortKY.info](mailto:Chamber@FrankfortKY.info)



### **WHAT IS the Access Loan Program?**

The Frankfort Chamber of Commerce and the area's leading banks and financial institutions have teamed up in the Access Loan Program to improve your odds of getting approval for a loan that matches your business needs. There are no guarantees, but you will know what your chances are of securing the credit you desire. The Program will provide valuable feedback from experts in the lending community to assist you in putting together a business plan and gathering information that is important to your success.

### **QUALIFICATIONS:**

- Your business must be in the Frankfort area.
- Your business must be for profit.
- Pursuing a loan for a business start-up an expansion of your current business, the purchase of a franchise, or the purchase of an existing business.
- There is a \$5,000 loan minimum.
- Use of funds must be for working capital, inventory, leasehold improvements, and equipment for commercial use only.

### **HOW TO APPLY:**

- >Loan packages available to be picked up and dropped off at the Frankfort Chamber of Commerce office at 100 Capital Avenue, 2<sup>nd</sup> Floor, Frankfort, KY .
- >There is a \$79.00 application processing fee. (Please make checks payable to the Frankfort Area Chamber of Commerce.